

Message Text

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FM AMCONSUL SAO PAULO

TO SECSTATE WASHDC 6142

INFO AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

UNCLAS SECTION 1 OF 4 SAO PAULO 0826

PASS COMMERCE

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SUBJECT: COMMERCIAL PROGRAM: FINAL REPORT ON PRINT PACK USA, U.S.
EXHIBITION AT 7TH FIEPAG INTERNATIONAL TRADE FAIR, SAO PAULO,
BRAZIL, MARCH 3-9, 1975

REF: USDOC 4915

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B. TOTAL MARKETING EFFORT

THIS TYPE I I.S. EXHIBITION AT THE 7TH FIEPAG INTERNATIONAL TRADE FAIR, WAS A SUCCESSFUL UNDERTAKING. THROUGH PRE-SHOW PROMOTION OVER 2,338 SOLID SALES LEADS RESULTED DURING THE EXHIBITION AND OVER 170 REPRESENTATION LEADS WERE REPORTED BY EXHIBITORS. THE PRIMARY OBJECTIVE WAS EITHER TOTALLY OR PARTIALLY ACHIEVED BY 54 OF THE 59 EXHIBITORS. THE STATISTICS RELEVANT ACTUAL/PROJECTED SALES, TOGETHER WITH REPRESENTATION AND OTHER COMMERCIAL ARRANGEMENTS SUPPORT THE ABOVE FINDING.

C. SALES

A TOTAL FIGURE OF \$2,883,335 REPORTED BY THE EXHIBITORS IS CONSIDERED MOST SUCCESSFUL, PARTICULARLY IN VIEW OF WORLD ECONOMIC CONDITIONS, INCREASED INFLATION, AND "BELT TIGHTENING" IN BRAZIL. A NUMBER OF PROSPECTIVE ORDERS CONTINUE UNDER NEGOTIATION, HENCE THE FOREGOING FIGURE IS SUBJECT TO REVISION UPWARDS. EXAMPLES OF SUBSTANTIAL SALES ARE AS FOLLOWS: GLOUCESTER ENGINEERING CO. \$355,200. (NOT CLEARED); REXHAM CORP. \$482,000 (CLEARED); HAVS CORP. \$186,000. (CLEARED); AND PAPER CONVERTING MACHINE CO. VICTOR VIDAURRE REPORTED TO COMMERCIAL COUNSELOR A SALE OF \$900,000 DIRECTLY ATTRIBUTED TO THEIR PARTICIPATION IN THE EXHIBITION. THE SALES WAS MADE TO A FIRM IN RECIFE SOLICITED IN OUR DIRECT MAILING CAMPAIGN. TOTAL PROJECTED FIRST YEAR SALES ARE \$16,295,000. SPREAD FAIRLY EVENLY AMONG THE NTM AND OTM AS FOLLOWS: NTM-\$6,625,000. AND OTM-\$9,670,000. THESE EXHIBITORS REPORTED SUBSTANTIAL NUMBER OF SALES LEADS: MARSH STENCIAL 400; GENERAL BINDING CO. 200; MARK ANDY INC. 125; NU-ARC INC. 300; MARKEM CORP.-100; AND ANCHORFILM 90. OUTSTANDING INDIVIDUAL ACCOMPLISHMENTS FOR PROJECT SALES INCLUDED: HARRIS CORP. \$4 MILLION (CLEARED); GENERAL BINDING CO. \$1. (CLEARED); PRICE Y CIA. \$1 MILLION (NOT CLEARED); AND PAPER CONVERTING CO. \$2 MILLION (NOT CLEARED).

D. EXREP AGREEMENTS

A TOTAL OF 21 EXREP AGREEMENTS WERE SOUGHT BY THE SAME NUMBER OF EXHIBITORS, AND THE MARKET PROMOTION RESULTED IN 178 REPRESENTATION LEADS BEING ESTABLISHED. DURING THE EXHIBITION, 22 EXREPS AGREEMENTS WERE CONCLUDED, WITH AN ADDITIONAL 15 SUCH AGREEMENTS EXPECTED TO BE CONCLUDED DURING THE NEXT 12 MONTHS.

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SOME EXHIBITORS REQUIRED EITHER APPROVAL OF THEIR HOME OFFICE OR NEEDED FURTHER INFORMATION RE THE CANDIDATE FIRMS BEFORE MAKING A FINAL DECISION. THIS GRATIFYING AGENCY-FINDING PROGRAM RESULTED FROM DIRECT MAILINGS, PERSONAL CALLS, AND A SERIES OF EXREP AND REPFIND MEETINGS HELD THROUGHOUT BRAZIL. ANCHORFILM CO. RECEIVED 21 REPRESENTATION LEADS WHICH ARE BEING EVALUATED. OTHERS WERE GLOUCESTER ENGINEERING 20, TELE-SONIC/TRESCOTT 50, AND SCANDIA PACKAGING MACHINERY CO. 10. PETERS PACKAGES INC. APPOINTED 2 REPS AND GENERAL BINDING CORP. CONCLUDED AGREEMENTS WITH 3 REPS. NINETEEN LICENSING AGREEMENTS ARE EXPECTED TO BE

EXECUTED WITHIN THE NEXT 12 MONTHS, AND OF THE 20 JOINT VENTURE
LEADS TWO HAVE RESULTED IN AGREEMENT AND 13 UNDER NEGOTIATION
WITH FINALIZATION ANTICIPATED WITHIN 12 MONTHS.
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E. ATTENDANCE

THE PROSPECT IDENTIFICATION PROGRAM DISCLOSED THE FOLLOWING:

1) KEYMAN 50, 2) PREFERRED 300, 3) PRIME 350, 4) INSTITUTIONAL
8, AND 5) TOTAL END-USER PROSPECTS 5,000. TOTAL ATTENDANCE TO
THE FIEPAG EXHIBITION WAS 105,000, AND TOTAL NUMBER OF BUSINESS
VISITORS WAS 50,000 AS ESTIMATED BY FIEPAG FAIR AUTHORITIES.
SINCE THIS WAS A TYPE I U.S. EXHIBITION AND NOT A SOLO, THERE
WAS NO FULL CONTROL OVER ACCESS TO THE EXHIBITION. THE ESTIMA-
TED COUNT, HOWEVER, WAS THAT APPROXIMATELY 25,000 VISITED THE
U.S. EXHIBITION. OVERALL ATTENDANCE FOR THE 7TH FIEPAG INTER-
NATIONAL WAS DOWN IN COMPARISON TO 1973. THIS COULD BE DUE TO
WORLD ECONOMIC CONSIONS AND OTHER CAUSES, WHICH DID NOT IMPAIR
THE ETECTIVENESS OF THE EXHIBITION'S OFF-THE-FLOOR SALES, PRO-
JECTIONS, REPRESENTATION AGREEMENTS EXECUTED, AND SOME 2,300
SALES LEADS PRODEUCED. BEING A "TRADE ONLY" FAIR, MINORS UNDER
16 ARE FORBIDDEN BY REGULATION TO ATTEND, BUT A NUMBER OF CHIL-
DREN WERE OBSERVED DURING THE SHOW. FURTHERMORE, THE SHOW HOURS
IT WAS GENERALLY AGREED WERE BEING BAD. INSTEAD OF 3PM-11PM,
IT IS FELT THAT 1-9 PM IS MORE ADVISABLE SINCE EXHIBITORS WOULD

BE BETTER RESTED AND COULD STILL UTILIZE MORNINGS FOR FOLLOW-UP CALLS.

F. PROSPECT PERSONAL CALL CAMPAIGN

AMCONGEN, SAO PAULO, AND THE U.S. EXHIBITION DMA MADE A TOTAL OF 182 SUCH CALLS, WITH THE RFXAINING 110 BEING MADE BY AMCONGEN, UNCLASSIFIED
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RIO AND OTHER CONSULAR/USIS OFFICERS IN BELEM, BELO HORIZONTE, PORTO ALEGRE, RECIFE AND SALVADOR. THE BREAKDOWN IS AS FOLLOWS:

1) KEYMAN 47, 2) PREFERRED 108, 3) PRIME 106, AND 4) INSTITUTIONAL 8. THE PERSONNEL PARTICIPATING IN THE MARKETING ACTIVITY WERE AMCONGEN, SAO PAULO - MARTIN G. HEFRKN, CHIEF, ECON/COMMERCIAL SECTION, RONALD B. CASAGRANDE, COMMERCIAL OFFICER, ROBERT J. CARLSON, COMMERCIALGIYXEVA MJCEIQUIM # CANAVARRO, COMMERCIAL SPECIALIST AND U.S. EXHIBITION STAFF, W.R. VITOUS, DUSEX AND RONALD E. MCCOWEN, DMA; AMCONGEN, RIO - CALVIN C. BERLIN, COUNSELOR FOR COMMERCIAL AFFAIRS AND NICE P. DE CASTRO, COMMERCIAL SPECIALIST; AND FINALLY CONSULAR OFFICERS AND USIS OFFICERS LOCATED IN BELEM, BELO HORIZONTE, PORTO ALEGRE, RECIFE AND SALVADOR. THE PERSONAL CALL CAMPAIGN RESULTED IN A VISIT BY EXHIBITORS TO THE KIBON FACTORY IN SAO PAULO, A MAJOR FOOD PROCESSOR WHICH IS 75 PERCENT OWNED BY GENERAL FOODS AND UTILIZES OVER 90 PERCENT NON-U.S. MADE MACHINERY. THIS PRESENTED AN EXCELLENT OPPORTUNITY FOR THE EXHIBITORS TO EXPLORE SUBSTANTIAL SALES TO THIS MAJOR INDUSTRY. IN SUM, OVER 98 PERCENT OF THE BRAZILIAN ENTITIES CONTACTED DURING THE PERSONAL CALLS EXPRESSED DEFINITE INTEREST IN OUR EXHIBITOR'S PRODUCTS OR DISCUSSING A VARIETY OF COMMERCIAL ARRANGEMENTS WITH THEM. IT SHOULD BE MENTIONED THAT A SERIES OF 13 MEETINGS THOROUGHOUT BRAZIL ENCOMPOSSING EXREPS, REPFIND; ENDUSER ETC ELICITED AN AVERAGE ATTENDANCE OF 73 PERCENT.

G. DIRECT MAIL CAMPAING

THE DIRECT MAIL CAMPAIGN WAS NOTHING LESS THAN OUTSTANDING FOR IT COVERED PRACTICALLY EVERY ASPECT OF THE CEP MARKETING MANUAL. THE ENTIRE PRINTING PACKAGE, FROM FLYERS TO CATALOGS ETC., WAS PREPARED AND PUBLISHED IN-HOUSE WITH USIS, AMCONGEN-RIO, RENDERING MOST OF THE ASSISTANCE. INITIAL MAILINGS CONSISTING OF SPANISH LANGUAGE FLYERS, TOGETHER WITH COPIES OF THE MARKETING DATA FORM AND PRODUCT LITERATURE, WERE MAILED FROM RIO TO ALL FS POSTS THORUGHOUT SOUTH AND CENTRAL AMERICA. SO ALSO, PORTUGUESE FLYERS TOGETHER WITH COVER LETTERS, RETURN REPLY CARDS, MARKETING DATE FORMS AND PRODUCT LITERATURE WERE MAILED TO ALL FS POSTS THROUGHOUT BRAZIL TO COVER GAPS ON A LOCAL LEVEL THAT WERE MISSED ON THE DIRECT MAILINGS. ADDITIONALLY, PORTUGUESE FLYERS WITH COVER LETTERS AND RETURN POSTS CARDS UNCLASSIFIED
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WERE MAILED TO BRAZILIAN COMPANIES THOROUGHOUT THE COUNTRY WITH THE PRODUCT CATEGORIES (4,430). AND FINALLY, PORTUGUESE FLYERS WERE ALSO SENT TO TRADE ASSOCIATIONS AND CHAMBERS OF COMMERCE IN BRAZIL FOR DIRECT MAILING TO THEIR RESPECTIVE MEMBERSHIP (1,240) THOSE NTM EXHIBITORS SEEKING REPRESENTATION WERE SEPARATELY IDENTIFIED ON ALL FLYERS. THE OFFICIAL PRINT PACK USA CATALOG AND AN INVITATION TO PRINT PACK WERE MAILED TO ALL BRAZILIAN COMPANIES WHICH SENT IN THE RETURN REPLY CARD, AND TO OTHER KEY/PREFERRED PROSPECTS PREVIOUSLY IDENTIFIED. OVER 550 SUCH RETURN REPLY CARDS WERE RECEIVED. THE RETURN REPLY CARDS ACTED AS PRE-SHOW REGISTRATION CARDS, SINCE EACH EXHIBITOR WAS PROVIDED WITH A COMPLETE LIST WHICH INDICATED THE RESPONDEE'S PRODUCT CATEGORY, THE U.S. EXHIBITOR OF INTEREST, AND THE SPECIFIC INTEREST OF THE RESPONDEE, WHETHER IMPORTING, REPRESENTATION, LICENSING, JOINT VENTURE, OR OTHER DESIRED COMMERCIAL ARRANGEMENT. THE DIRECT MAIL CAMPAIGN REACHED PRACTICALLY EVERY CORNER OF THE COUNTRY WITH THE PRINT PACK MESSAGE AND IN TERMS OF THE QUALITY OF ATTENDANCE OR BUSINESS VISITORS AT THE U.S. EXHIBITION MUST BE CONSIDERED MOST SUCCESSFUL.

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NOTE BY OC/T: SECTION 2 OF 4 SAO PAULO 826; #AS RECEIVED.
CORRECTION TO FOLLOW.

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FM AMCONSUL SAO PAULO

TO SECSTATE WASHDC 6144

INFO AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

UNCLAS SECTION 3 OF 4 SAO PAULO 0826

H. RECEPTION EVENTS

THE BUSINESSMEN'S RECEPTION HOSTED BY AMBASSADOR JOHN H. CRIMMINS WAS SUCCESSFUL AND WELL ATTENDED. HIS PARTICIPATION ADDED THAT SPECIAL TOUCH PARTICULAR-PRODUCED INCREASED NEWS COVERAGE FOR THE EVENT AND EXHIBITION. HELD ON OPENING DAY, MARCH 3 FROM 7-9 PM IT WAS PRECEDED BY THE AMBASSADOR'S WALK-THOROUGH OF THE U.S. EXHIBITION WHERE HE SPOKE WITH EVERY EXHIBITOR AT THEIR RESPECTIVE STAND. APPROXIMATELY 400 ATTENDED THE RECEPTION, WHICH ATTRACTED THE PRINCIPAL MANAGEMENT OF COMPANIES WHO COULD NOT BE REACHED THOROUGH PERSONAL CALLS. AMCONGEN, SP, WAS PARTICULARLY HELPFUL IN DEVELOPING THE INVITATION LIST FOR THIS EVENT. ADDITION, EACH EVENING A BUYER'S RECEPTION WAS HELD IN THE BIO LOUNGE FOR APPROXIMATELY ONE HOUR WHICH FURTHER ENABLE EXHIBITORS TO CONTINUE THEIR BUSINESS DISCUSSIONS WITH KEY PROSPECTS. THERE WERE TO DURING-SHOW RECEPTIONS WHICH WERE TREMED SUCCESSFUL, NAMELY, THE U.S. CONSULATE (SP), U.S. EXHIBITION STAFF RECEPTION FOR EXHIBITORS AND THEIR KEY BUSINESS VISITORS ON MARCH 7, AND THE STATE OF ILLINOIS RECEPTION ON MARCH 8. EACH RECEPTION DREW AN ATTENDANCE OF ABOUT 100 PERSONS.

I. MEDIA CAMPAIGN

THE MEDIA CAMPAIGN WAS STRICTLY AN IN-HOUSE PROMO WHICH NETTED THE DESIRED RESULT, THE RESPONSIBILITIES OF WHICH WERE SHARED BY THE DMA AND USIS (SP), AMCONGEN SP & RIO. PRESS RELEASES
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WERE DISTRUBUTED TO NEWSPAPERS, MAGAZINES, RADIO AND T.V. STATIONS, AND THE WIRE SERVICES. PRESS RELEASE NO.1, NUMBERING 70 AND DISTRIBUTED TO THE FOREGOING ESTABLISHMENTS, WITH COVERAGE ESTIMATED AT 4 MILLION. PRESS RELEASE NO.2 WAS DISTRIBUTED IN THE SAME MANNER. ALSO, PERSONAL LETTERS WERE SENT BY USIS (SP) TO THE 70 BRAZILIAN PRESS ENTITIES INVITING THEIR SPECIAL ATTENTION TO THE U.S. EXHIBITION. CURRENTLY, THE AMCONGEN IN RIO PUBLISHED 2 BULLETINS, EACH WITH A CIRCULATION OF 1,600 WHICH CARRIED THE PRINT PACK MESSAGE THOROUGHOUT THE COUNTRY. SPECIAL OR FEATURE STORIES ON PRINT PACK WERE ARRANGED WITH THE FOLLOWING:

EMBALAGEM VENDE CIRCULATION 30,000

ABIGRAF CIRCULATION 3,000

ALCANTARA MACHADO PROVIDED COVERAGE IN 10 SPECIALIZED PUBLICATIONS WITH COUNTRY-WIDE COVERAGE

ASSOCIACAO BRASILEIRA

DE EMBALAGEM CIRCULATION TO 100 KEY MEMBERS

SINDICATO NACIONAL DOS

EDITORES DE LIVROS CIRCULATION 180

NEW STORIES WERE CARRIED IN THE FOLLOWING PUBLICATIONS:

VEJA (MAGAZINE)

DIARIO POPULAR (NEWSPAPER)

FOLHS DE SAO PAULO (NEWSPAPER)

GAZETA (NEWSPAPER)

DIARIO DA NOITE (NEWSPAPER)

VARIAS (TRADE PUB)

GAZETA MERCANTIL (FINANCIAL NEWSPAPER)

THE PRESS CONFERENCE WHICH WAS ORIGINALLY SCHEDULED FOR OPENING DAY HAD TO BE SCRUBBED BECAUSE IT WAS FELT THAT A MEANINGFUL PRESS ATTENDANCE WOULD BE LACKING, PROBABLY AS A RESULT OF OVER-SATURATION BY NUMEROUS TRADE FAIRS/MISSIONS IN THE AREA. IT WAS FINALLY DECIDED TO INVITE JOURNALISTS AND TRADE REPORTERS TO ATTEND THE AMBASSADOR'S RECEPTION AND TO MEET THE EXHIBITORS INDIVIDUALLY DURING THE EXHIBITION. THIS PROVED TO BE THE BEST METHOD BECAUSE A NUMBER OF INTERVIEWS WERE GIVEN TO SUCH REPORTERS.

J. COLLOQUIUM - N/A.

K. BUSINESS INFORMATION OFFICE

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THE EXHIBITOR'S BRIEFING WAS HELD AT 9:00 AM ON OPENING DAY OF SHOW, WITH ATTENDANCE AT 100 PERCENT, INCLUDING EXREPS. ATTENDEES WERE ADVISED OF THE SERVICES OF THE U.S. DEPARTMENT OF COMMERCE, U.S. EXHIBITION STAFF AND BIO, AND THE AMCONGEN,SP. A COMMERCIAL OFFICE WAS MAINTAINED IN THE BIO DURING THE EXHIBITION AND MANTED AT ALL TIMES BY THE DMA AND COMMERCIAL OFFICERS/SPECIALISTS OF THE AMCONGEN SP. FURTHERMORE, EACH EXHIBITOR WAS ADVISED THAT HE SHOULD FEEL FREE TO CONTACT THE AMCONGEN STAFF/U.S. EXHIBITION STAFF AT THE CONSULATE ON ANY FOLLOW-UP AFTER SHOW. A DETAILED BRIEFING KIT WAS DELIVERED TO EACH AT THIS MEETING. DAILY CONTACT WAS MAINTAINED WITH EACH PARTICIPATING BY THE DUSEX, DMA AND AMCONGEN STAFF. IN EFFECT, THE BIO OPERATION IS REGARDED AS HAVING BEEN MOST IMPORTANT TO THE OVERALL RESULTS ACHIEVED BY THE U.S. EXHIBITORS.
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FM AMCONSUL SAO PAULO
TO SECSTATE WASHDC 6145
INFO AMEMBASSY BRASILIA
AMCONSUL RIO DE JANEIRO

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L. COMMENTS

PRINT PACK U.S.A. HOLDS TWO IMPORTANT LESSONS FOR FUTURE COMMERCE DEPARTMENT EXHIBITIONS IN BRAZIL AND POTENTIAL EXHIBITORS IN THEM. FIRST, THE SALES RESULTS, EXHIBITOR COMMENTS, SALES PROJECTIONS AND KEEN AUDIENCE INTEREST UNDERSCORE THE FACT THAT BRAZIL REMAINS A DYNAMIC AND PROMISING MARKET FOR U.S. MANUFACTURERS WITH HIGH QUALITY, HIGH TECHNOLOGY PRODUCTS IN THE PACKAGING/PRINTING FIELDS. IN AN ECONOMY GROWING AT A RATE FASTER THAN OTHER INDUSTRIALIZED AND INDUSTRIALIZING NATIONS, THE PRINTING/PACKAGING FIELD "A FORTIORI" WILL BE PROMISING. SECOND, IN SPITE OF BRWSIL'S RECENT ACTIONS TAKEN TO IMPROVE THE COUNTRY'S BALANCE OF PAYMENT, ACTIONS THAT TOO OFTEN TEND TO FRUSTRATE IMPORTS AND THUS UNDERSTANDABLY DISCOURAGE AMERICAN EXPORTERS, THE FINE RESULTS ACHIEVED AT PRINT PACK AND THE SATISFACTION AND BRIGHT OPTIMISM OF EXHIBITORS ARE PROOF THAT BRAZIL REMAINS A STRONG ATTRACTIVE MARKET FOR U.S. MANUFACTURERS, A MARKET WHOSE FUTURE IS EVEN MORE PROMISING THAN THE PRESENT. BASED ON THESE OBSERVATIONS, WE CONCLUDE THAT BRAZIL IS STILL EXTREMELY FERTILE SOIL FOR THE EXPORT PROMOTION DOLLAR, MORE FERTILE PERHAPS THAN ALMOST ANY OTHER IN THE WORLD TODAY BOTH IN TERMS OF PRESENT OPPORTUNITIES AND FUTURE PROSPECTS. DUSEX VITOUS AND DMA MCCOWEN HAVE SUBMITTED THE FINAL EXHIBITION MARKETING REPORTS AS CALLED FOR IN EXHIBITS OF THE OIM MARKETING MANUAL, AND THEY HAVE ALREADY SUBMITTED PROMOTIONAL MATERIALS, UNCLASSIFIED
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PARTICIPANT REPORTS AND FORM DIB-482.

M. DRAFT ARTICLE FOR "COMMERCE TODAY" MAGAZINE
NEARLY THREE MILLION DOLLARS IN IMMEDIATE SALES AND PROMISE OF EXCELLENT FUTURE SALES WENT TO U.S. PARTICIPANTS IN THE COMMERCE-SPONSORED EXHIBITION OF PRINTING, PACKAGING, AND GRAPHIC ARTS EQUIPMENT

HELD AT SAO PAULO, BRAZIL, MARCH 3-9.
THE COMMERCE EXHIBIT ENTITLED PRINT PACK USA WAS A PART OF THE 7TH FIEPAG INTERNATIONAL TRADE FAIR, AND IS FEATURED TECHCBLOGICALLY ADVANCED PACKAGING, PRINTING, AND GRAPHIC ARTS EQUIPMENT AND RSLATED MACHINER. THIS MAJOR INTERNATIONAL EXHIBIT ATTRACTED

OVER 50,000 BUSINESS VISITORS. OF THE 59 U.S. EXHIBITORS, 39 WERE NEW-TO-MARKET AND 20 OLD-TO-MARKET WITH OVER 70 U.S. COMPANIES BEING REPRESENTED.

THE TIMELINESS AND SUCCESS OF PRINT PACK CAN BE MEASURED AS FOLLOWS:

ACTUAL SALES REACHED \$2.9 MILLION AND \$16.3 MILLION PROJECTED DURING THE NEXT 12 MONTHS; OVER 2,330 FIRM SALES LEADS WERE DEVELOPED DURING THE EXHIBITION; 22 AGENT/DISTRIBUTOR AGREEMENTS WERE CONCLUDED WITH ANOTHER 15 UNDER NEGOTIATION; AND, 2 JOINT VENTURE AGREEMENTS WERE EXECUTED WITH 13 UNDER NEGOTIATION AS WELL AS 6 LICENSING AGREEMENTS. MACHINERY AND EQUIPMENT WHICH SOLD WELL INCLUDED - WEB OFFSET PRESSES; EQUIPMENT WHICH COVERTS PAPER PRODUCTS SUCH AS NAPKINS, TOWELS AND TISSUE PRODUCTS; PLASTIC BAGGAGEMACHINERY; PLATE-MAKING AND PHOTO PROCESSING EQUIPMENT FOR THE GRAPHIC ARTS; MACHINERY PRODUCING PACKAGED SNACK FOOD ITEMS; STENCIL MACHINERY; ROTARY MACHINERY PRODUCING ROLL TO ROLL PRESSURE SENSITIVE LABELS; COOKIE SANDWICHING AND PACKAGING EQUIPMENT; AND, EQUIPMENT FOR THE APPLICATION OF HOT MELT ADHESIVES BY SPRAY TECHNIQUE. M

DERATE SUCCESS WAS REGISTERED IN THESE PRODUCT CATEGORIES: TWIST-TIE MACHINERY FOR APPLYING PLASTIC/PAPERS TIES TO BAGS; COLLARING MACHINERY AND PLASTIC LAMINATING EQUIPMENT; AND, AUTOMATIC TABLET COUNTING MACHINERY AND COTTONING EQUIPMENT FOR THE PHARMACEUTICAL INDUSTRY. EQUIPMENT WHICH DID NOT SELL INCLUDED END-OF-LINE MACHINERY SPECIFICALLY GEARED TO HIGH SPREEDS, THUS LABOR SAVING. NAMELY, MULTI-PURPOSE CASE SEALERS AND AUTOMATIC STACKERS FOR THE PUBLISHING INDUSTRY. IN VERY SOPHISTICATED MARKETS WHERE UNCLASSIFIED UNCLASSIFIED

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HIGH SPEEDS ARE THE NORM RATHER THAN EXCEPTION, SUCH EQUIPMENT CAN FIND READY MARKETS. HOWEVER, BRAZIL'S MARKET IS JUST DEVELOPING AND SUCH SPEEDS ARE NOT YET REQUIRED IN MANY INSTANCES. LOCAL COMPANIES WHO ARE MANUAL LABOR RATHER THAN ENDUSERS HAVE RUN SURVEYS ON THE COST OF EMPLOYING MACHINES TO PERFORM THE SAME FUNCTION, AND FOUND THAT HUMAN LABOR IS STILL CHEAPER AT THIS TIME. THE FOREGOING SHOULD NOT BE CONSTRUCTED TO MEAN NO MARKET EXISTS FOR SOPHISTICATED EQUIPMENT. IT DOES, HOWEVER, POINT UP THAT SOPHISTICATED END-OF-LINE MACHINERY IN THIS CATEGORY WILL PROBABLY DO BETTER IN THE FUTURE. CHAPIN

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To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006